

TOP SECRET

25X1



2 May 1962

25X1

Copy No. C 22-7

CENTRAL INTELLIGENCE BULLETIN



25X1

TOP SECRET

25X1

Approved For Release 2003/03/10 : CIA-RDP79T00975A006300380001-0

Approved For Release 2003/03/10 : CIA-RDP79T00975A006300380001-0

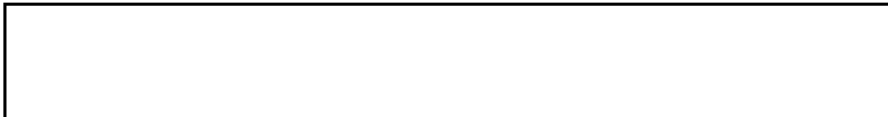
2 May 1962

CENTRAL INTELLIGENCE BULLETIN

CONTENTS

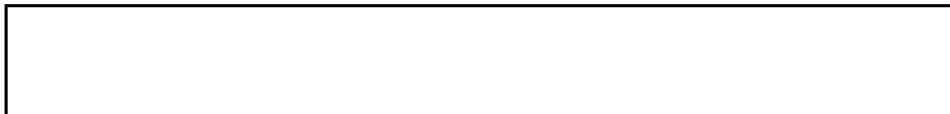
1. USSR-Berlin: Moscow preparing Soviet public for early Berlin settlement. (*Page i*)

25X1



3. Congo: Tshombé to return to Leopoldville on 3 May. (*Page ii*)

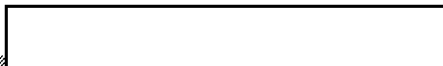
4. Nationalist China: Taxes increased drastically to cover military expenditures in preparation for return to mainland. (*Page iii*)



25X1

6. Uganda: Breakdown of civil order may be in offing. (*Page iv*)

7. Bolivia-Czechoslovakia: Bolivians to accept Czech antimony smelter. (*Page v*)



25X1

CENTRAL INTELLIGENCE BULLETIN

2 May 1962

DAILY BRIEF

USSR-Berlin: In the most optimistic Soviet assessment to date of the US-Soviet negotiations on Berlin, a public lecturer in Moscow stated on 30 April that agreement could come as early as May or June and almost certainly could be achieved "during this year." He described the proposals Secretary Rusk presented to Gromyko at Geneva as reasonable and said they contained significant changes in the US position. The lecturer expressed the view that while the French could veto an agreement on liquidating the "occupation regime" in West Berlin, this could be negotiated. He said that Chancellor Adenauer and Foreign Minister Schroeder were now displaying a more flexible attitude.

This optimistic appraisal, following the recent encouraging pronouncements by Khrushchev and Gromyko and the USSR's relatively moderate and unprovocative reaction to US atmospheric nuclear tests, provides further evidence of the Soviet leaders' desire to prevent recriminations over testing from upsetting the bilateral talks on Berlin.

25X1

25X1

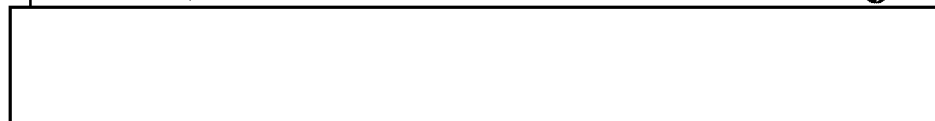


Congo: Premier Adoula told US officials that Tshombé had confirmed he would return to Leopoldville on 3 May. Adoula, who expressed gratitude for assurances of continued US support, stated that he would insist that Tshombé present without delay counterproposals to a draft agreement which he had presented to the Katangan leader before the talks were recessed on 16 April. Adoula dismissed the suggestion that his government might orient itself toward the Communist bloc, but said that he might be powerless to prevent "disaster" should the unification talks with Tshombé fail.

25X1



Although Adoula recognizes that a continued stalemate on the Katanga issue could bring down his government, the draft agreement presented to Tshombé provides little to attract the Katangan leader. Tshombé, who would use this issue to further delay the negotiations, has characterized Adoula's proposals as reserving more power to the central government than the present Fundamental Law.



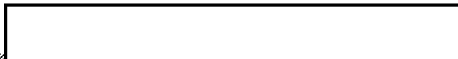
25X1

2 May 62

DAILY BRIEF

ii

25X1



25X1

25X1

25X1

Nationalist China: [The Chinese Nationalist Government has passed an emergency tax bill drastically increasing taxation in an effort to pay for increased military expenditures resulting from stepped-up preparations for a return to the mainland. The government expects to obtain an additional \$59,000,000 before July 1963 by raising income taxes, some customs duties, and taxes on consumer goods and utilities.]

25X1

[Six of seven newspapers on 1 May supported the new tax program. The general line was that the program was designed to minimize any harmful effects on economic development and "equalize wealth." One paper warns that the government should demonstrate effective use of the funds when the attack on the mainland begins. These tax increases will cause hardship among the population, but demonstrations against the measure are unlikely.]

25X1

25X1

[The rapidity with which the measures have been pressed through the formalities of legislative approval suggests that the Nationalist Government is seeking to present Washington with a fait accompli, i. e., a program of military preparedness directed toward a return to the mainland.]

25X1

2 May 62

DAILY BRIEF

iii

25X1

25X1

25X1

25X1

25X1

Uganda: Disturbances are expected following publication on 3 May of a British Privy Council commission report on a long-standing territorial dispute between two of the protectorate's tribal kingdoms. The

2 May 62

DAILY BRIEF

iv

25X1

25X1

[redacted]
[redacted]
[redacted] Unrest is expected to spread through both kingdoms,

25X1

25X1

[redacted] The issue could, however, affect the political standing of the new prime minister, Milton Obote, who is allied in the legislative assembly with representatives of one of the kingdoms. These representatives may threaten to withhold support from Obote unless he supports their position. This and other tribal problems will continue to affect Uganda's stability after it becomes independent on 9 October [redacted]
[redacted]

25X1

Bolivia-Czechoslovakia: The Bolivian Ministry of Mines has announced that the official delegation leaving for Prague on 15 May will sign a contract with Czechoslovakia for an antimony smelter. The smelter would be Bolivia's first industrial installation of bloc origin and is to be constructed at Oruro. The government's announced decision was probably in response to pressure from leftist elements which have also been pressing for acceptance of a tentative Soviet offer of a tin smelter. [redacted]
[redacted]

25X1

2 May 62

DAILY BRIEF

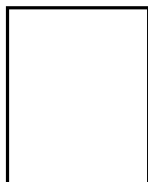
v

25X1

Tribal Disturbances Likely in Uganda

[Buganda and Bunyoro, the two kingdoms involved in the territorial dispute, have been at odds on the issue since the late nineteenth century, when the British subdued Bunyoro with Buganda assistance. As a reward, the British permitted Buganda to take over large sections of Bunyoro, including some parts which are significant to the Bunyoro tribal religion. Bunyoro has not allowed the dispute--the so-called "lost counties" issue--to die, and many of the inhabitants in the transferred areas have retained their cultural identity. The region was the scene of widespread disturbances after last February's elections to the Buganda legislature]

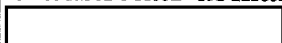
25X1



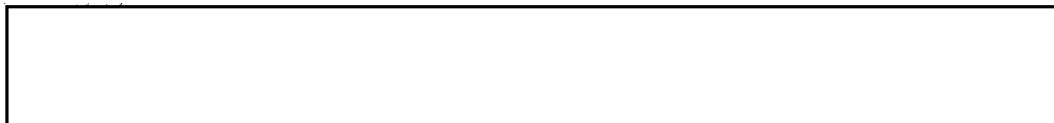
25X1

[Prime Minister Obote, whose Uganda Peoples' Congress won nearly an absolute majority of the seats in last week's assembly elections, may need the support of the Buganda traditionalist party for a working majority. There are still 11 seats in the 91-member assembly to be chosen; if Obote can win nine of these, he will not need the Buganda alliance. If he should exclude the Buganda party from the government, however, or if the party feels Obote is not supporting it on the "lost counties" issue, Buganda may be tempted to break its recently forged links with the protectorate government and reassert its traditional demands for greater autonomy.]

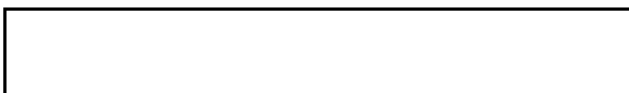
25X1



25X1



25X1



25X1

THE PRESIDENT
The Vice President
Executive Offices of the White House
 Special Counsel to the President
 Military Representative of the President
 The Special Assistant for National Security Affairs
 The Scientific Adviser to the President
 The Director of the Budget
 The Director, Office of Emergency Planning
 The Director, National Aeronautics and Space Administration
The Department of State
 The Secretary of State
 The Under Secretary of State
 The Under Secretary of State for Political Affairs
 The Deputy Under Secretary of State for Political Affairs
 The Counselor and Chairman of the Policy Planning Council
 The Director of Intelligence and Research
The Treasury Department
 The Secretary of the Treasury
 The Under Secretary of the Treasury
The Department of Defense
 The Secretary of Defense
 The Deputy Secretary of Defense
 The Secretary of the Army
 The Secretary of the Navy
 The Secretary of the Air Force
 The Assistant Secretary of Defense (International Security Affairs)
 The Assistant Secretary of Defense
 The Chairman, The Joint Chiefs of Staff
 Chief of Naval Operations, United States Navy
 Chief of Staff, United States Air Force
 Chief of Staff, United States Army
 Commandant, United States Marine Corps
 U.S. Rep., Military Committee and Standing Group, NATO
 Supreme Allied Commander, Europe
 Commander in Chief, Pacific
 The Director, Defense Intelligence Agency
 The Director, The Joint Staff
 The Director for Intelligence, The Joint Staff
 The Assistant Chief of Staff for Intelligence, Department of Army
 The Director of Naval Intelligence, Department of Navy
 The Assistant Chief of Staff, Intelligence, Department of the Air Force
The Department of Justice
 The Attorney General
 The Federal Bureau of Investigation
 The Director
The Atomic Energy Commission
 The Chairman
The National Security Agency
 The Director
The United States Information Agency
 The Director
The National Warning Center
 The Director